

## Developing a Depreciation Schedule

Depreciation divides the cost of capital goods greater than \$5,000 in value into the number of years of its life.

- Food service equipment - 15 years;
- Heavy vehicles - 6 years;
- Light vehicles - 4 years;
- Space and facilities - a 30 year straight line depreciation or the depreciation method used and accepted for tax purposes.

Multiply the number of years the item is being depreciated by 12 (if you claim less than 12 months, use the number of months you actually claim) and divide the cost of the item, including delivery and installation, by this number to find the amount to enter on the claim monthly.

For further information on depreciating space and facilities, refer to FNS Instruction 796-2 Rev. 3 page 29.

Enter each depreciation amount on a Depreciation Schedule, total them and use this amount on your monthly claim until something is added or taken from the schedule. When the value changes, use it until another change is made.

Depreciation Schedule Example

Equipment/Vehicle Or Electronics	Date of Purchase	Date of Expiration	Cost	# Months Depreciated	Monthly Depreciation Value
Delivery Van	11/08/04	11/08/08	\$11,500	48	\$240*
Convection Oven	09/12/05	09/12/20	\$5,273.90	180	\$29**
<b>TOTAL</b> (use each month)					\$269

\* 4 years depreciation multiplied by 12 claim months divided into  
 $\$11,500 = \$240$  monthly depreciation

\*\*15 years depreciation multiplied by 12 claim months divided into  
 $\$5,273.90 = \$29$  monthly depreciation